



GoodJobs

For Michigan

Our Growing List of Supporters

We are proud to share the growing list of supporters for Senate Bills 242-244, who represent businesses, economic development, communities and the hard-working men and women of Michigan.

At its core, the Good Jobs for Michigan legislation will provide the necessary tools to grow more good-paying jobs and our economy, all while creating stronger, healthier communities across the state.

American Arab Chamber of Commerce
Associated Builders and Contractors, Inc.-Greater Michigan Chapter
Battle Creek Unlimited
Bonner Advisory Group
Building Owners and Managers Association of Metro Detroit
Business Leaders for Michigan
Capitol Council of Governments
Central Upper Peninsula Planning and Development Regional Commission
City of Lansing
City of Romulus
Cornerstone Alliance
Detroit Regional Chamber
Downtown Detroit Partnership
Economic Development Alliance of St. Clair County
Flint & Genesee Chamber of Commerce
Grand Rapids Area Chamber of Commerce
Greater Michigan Construction Academy
Great Lakes Bay Regional Alliance
Grosse Pointe Chamber of Commerce
Home Builders Association of Michigan

Invest Detroit
Jackson County Chamber of Commerce
Kinexus
Lakeshore Advantage
Lake Superior Community Partnership
Lansing Regional Chamber of Commerce
Lapeer Development Corporation
Lansing Economic Area Partnership
Lenawee Now
Livingston Business Development Associates
Macomb County Chamber
Michigan Aggregates Association
Michigan Bankers Association
Michigan Building and Construction Trades Council
Michigan Business & Professional Association
Michigan Economic Developers Association
Michigan Food and Beverage Association
Michigan Infrastructure & Transportation Association
Michigan Manufacturers Association
Michigan Municipal League
Michigan Railroads Association
Michigan Realtors®

Michigan Trucking Association
Michigan West Coast Chamber of Commerce
Middle Michigan Development Corporation
Midland Area Chamber of Commerce
Monroe County Business Development Corp.
Oakland County Michigan
Saginaw County Chamber of Commerce
Saginaw Future
Southfield Area Chamber of Commerce
Southwest Michigan First
SPARK
Sterling Heights Regional Chamber of Commerce & Industry
The Chamber of Grand Haven, Spring Lake and Ferrysburg
The Enterprise Group of Jackson, Inc.
The Right Place
Troy Chamber of Commerce
Upper Peninsula Collaborative Development Council
Upper Peninsula Economic Development Alliance
UPWARD Talent Council

LIST CURRENT AS OF JUNE 8, 2017



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GOOD JOBS FOR MICHIGAN ACT – SENATE BILLS 242-244 HIGHLIGHTS & HOW IT WORKS

THE MECHANICS

The Good Jobs for Michigan legislation provides an incentive in the form of a return of state personal income taxes for companies that create 500 or 250 new jobs in Michigan.

- Business expansions or new locations that create at least 500 new full-time jobs and pay 100% or more of the average wage in the State of Michigan Prosperity Region would be eligible to capture up to 50% of the personal income tax withholdings of the new employees for up to five years; and
- Business expansions or new locations that create at least 250 new full-time jobs and pay 125% or more of the average wage in the State of Michigan Prosperity Region would be eligible to capture up to 100% of the personal income tax withholdings of the new employees for up to 10 years.
- Retail establishments, professional sports stadiums and casinos are not eligible.

PERFORMANCE BASED

- To qualify, a business must create the required jobs at the required wages within five years.
- The incentive doesn't start until the job and wage targets are reached and the targets must be maintained and verified each year for the duration of the incentive.
- If job or wage requirements are not met in a given year, the company does not receive the incentive for that year.

TRANSPARENT

- All businesses receiving the incentive agree to have their names and the value and duration of the incentive publicly disclosed.

PREDICTABLE

- There is a cap of 15 projects per year.
- There can be no more than \$250M in total incentives outstanding at any one time.
- The incentives do not favor one industry over another, and instead focus on large-scale projects that will benefit Michigan.

ENSURE STRONGER & HEALTHIER STATE, COMMUNITIES

This is not a cut to state revenue – the jobs would not be here without the incentive. While the state will forego some personal income tax revenue in the short-term, these revenues will accrue to the state over the long-term. In addition, the state, our local schools and communities will benefit from added property tax and sales tax revenues from increased economic activity. Expansion or location plans need:

- 1 A third party analysis showing that the project provides a net economic benefit for the state.
- 2 A letter of support from the chief executive of the local unit of government where the project will expand or relocate.
- 3 To stipulate that the company would not have created the jobs in Michigan if not for the incentive.

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GET THE FACTS

This is a jobs issue. Michigan needs a business attraction program that can compete with other states, like Indiana and Ohio, to bring more good-paying jobs to Michigan.

Under the Good Jobs for MI legislation, Senate Bills 242-244:

- Business expansions or new locations that create a minimum of 500 **NEW** jobs and pay wages at 100% or more of the regional average wage would be eligible to capture up to 50% of the personal income tax withholdings of the new employees for up to five years.
- Business expansions or new locations that create a minimum of 250 **NEW** jobs and pay wages at 125% or more of the regional average wage would be eligible to capture up to 100% of the personal income tax withholdings of the new employees for up to 10 years.
- There is a cap of 15 projects per year with a rolling cap of \$250M for all projects.

This is the marketplace. Most states across the nation – with Republican and Democratic Governors alike – view and use incentives as an essential tool for creating new jobs and revenue – and treat economic development as a non-partisan issue. This is true of Michigan's closest competitors like Indiana, Ohio and Wisconsin, as well as states in the South, including Georgia, South Carolina, Tennessee and Texas.

It's a net revenue gain. This is not a cut to the personal income tax – the jobs would not be here without the incentive. While the state will forego some personal income tax revenue in the short-term, these revenues will accrue to the state over the long-term. In addition, our local schools and communities will benefit from added property tax and sales tax revenues from increased economic activity.

It's performance based. The company will pay the personal income tax each year until it meets the minimum job threshold required. Disbursements will only be made for the years that the state verifies the employer has fulfilled the job goals required.

It's a simple program that's transparent and predictable. The program details will be public information and businesses will not benefit unless jobs are created.

We can – and must – do more.

Michigan has made great progress in the last five years to create a more competitive business environment.

- State debt has been reduced.
- Budgets have been responsible, timely and fiscally sound.
- The change from the Michigan Business Tax to a simple Corporate Income Tax made the state's business tax climate among the best in the country.

The result – Michigan has created more than 480,000 private sector jobs. However:

- Michigan is still about 300,000 jobs below peak employment before the Great Recession.¹
- While per capita income has grown faster here than in most states, our per capita personal income level still ranks only 33rd among all states.²

Many of the states we compete with have business climates as good as Michigan's **AND** have stronger economic development tools than we have.

- Michigan and Alaska are the only two states that have a corporate income tax and offer no tax credits.³
- Competing states, such as Georgia, Indiana, Kentucky, Ohio, South Carolina, Tennessee, Texas and Wisconsin offer up to seven times more incentives.⁴
- Michigan's current cash incentives program is competitive for small and medium-sized projects – averaging 133 jobs per project since January 2012⁵ – but has no programs for larger projects like nearly all other states do.

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1 Bureau of Labor Statistics
2 Bureau of Economic Analysis
3 Tax Foundation, Dec 2012
4 Economic Development Corporation
5 The Michigan Economic Development Corporation



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Is Michigan Doing Everything it can to Compete for Jobs?

States are outspending Michigan up to 7 to 1.

	Corporate Income Tax (CIT) Rate	Statewide Economic Dev. Agency/Name	Type of Incentive	Annual Economic Incentive Expenditures
OHIO	Gross Receipts	Jobs Ohio	Cash Grants, Refundable Tax Credits	\$220,000,000 Annually
INDIANA	6.5% Corporate Income Tax Rate	Indiana Economic Development Corporation	Refundable Tax Credits	\$162,000,000 Annually
WISCONSIN	7.9% Corporate Income Tax Rate	Wisconsin Economic Development Corporation	Refundable & Non-refundable Tax Credits	\$177,000,000 Annually
KENTUCKY	6% Corporate Income Tax Rate	Think Kentucky Cabinet for Economic Development	Non-refundable Tax Credits	\$454,000,000 Annually
TENNESSEE	6.5% Corporate Income Tax Rate	Tennessee Department of Economic and Community Development	Cash Grants, Non-refundable Tax Credits	\$250,000,000 Annually
SOUTH CAROLINA	5% Corporate Income Tax Rate	South Carolina Coordinating Council for Economic Development	Cash Grants, Refundable & Non-refundable Tax Credits	\$339,000,000 Annually
GEORGIA	6% Corporate Income Tax Rate	Georgia Department of Economic Development	Non-refundable Tax Credits	\$170,000,000 Annually
TEXAS	Gross Receipts	Texas Economic Development Corporation	Cash Grants, Tax Refunds	\$273,000,000 Annually
MICHIGAN	6% Corporate Income Tax Rate	Michigan Economic Development Corporation	Cash Grants	\$69,000,000 Annually

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Performance.

No jobs,
no incentive.

Predictable.

With caps that
limit use.

Positive.

Always a net
revenue gain.

Good Jobs for Michigan

Michigan Economic Growth Authority (MEGA)

Businesses receive incentive just for keeping jobs in the state.

False. The business must create net **NEW** jobs.

True. MEGA provided incentives for creating new jobs and retaining jobs in the state.

A business may not pay any taxes to the state.

False. In all cases, companies must pay their full Corporate Income Tax.

True. For some companies, their MEGA tax credit exceeded their state business tax (Single Business Tax or Michigan Business Tax) liability.

The state could lose revenue.

False. GJFM always results in a net positive to the state.

True. When MEGA was amended to award job retention, the state stopped receiving the PIT from those jobs, resulting in a revenue loss.

Businesses could not meet job targets and still receive the incentive.

False. Companies receive no incentive until they meet the required job and wage targets, and they must maintain those levels or greater *each year* to be eligible for the incentive on a yearly basis.

True. The MEDC was allowed to adjust incentives if companies did not meet the agreed to job targets.

The total value of incentives is capped.

True. There is a limit of \$250 million in incentives at any one time and only 15 projects per year.

False. MEGA **only** capped the number of projects and credits, but did not provide a total dollar cap.

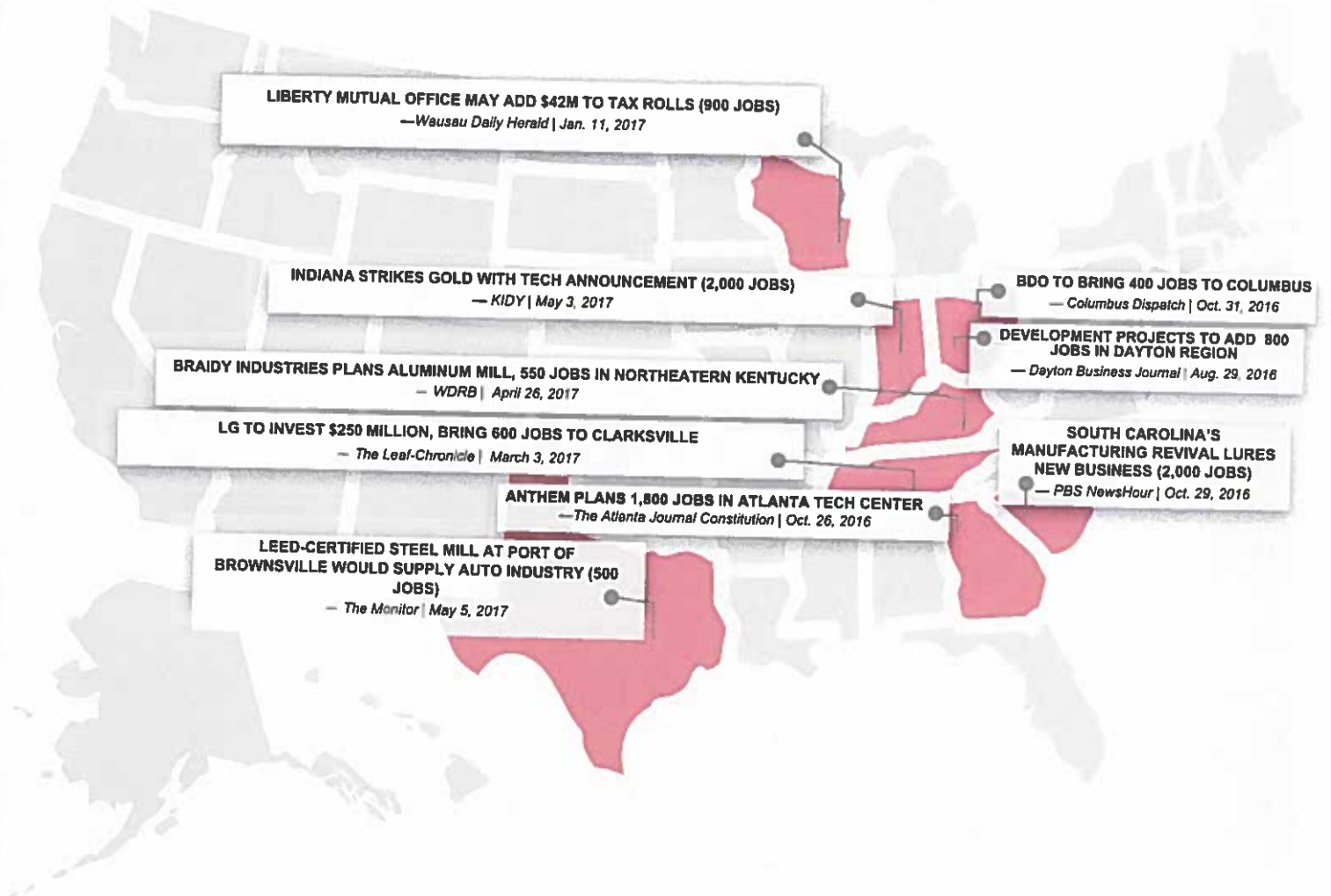


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This is a Jobs Issue.

We cannot afford to let other states lure businesses away that should be coming to Michigan. Help all Michigan communities attract and grow new jobs by supporting the Good Jobs for MI legislation, Senate Bills 242-244.



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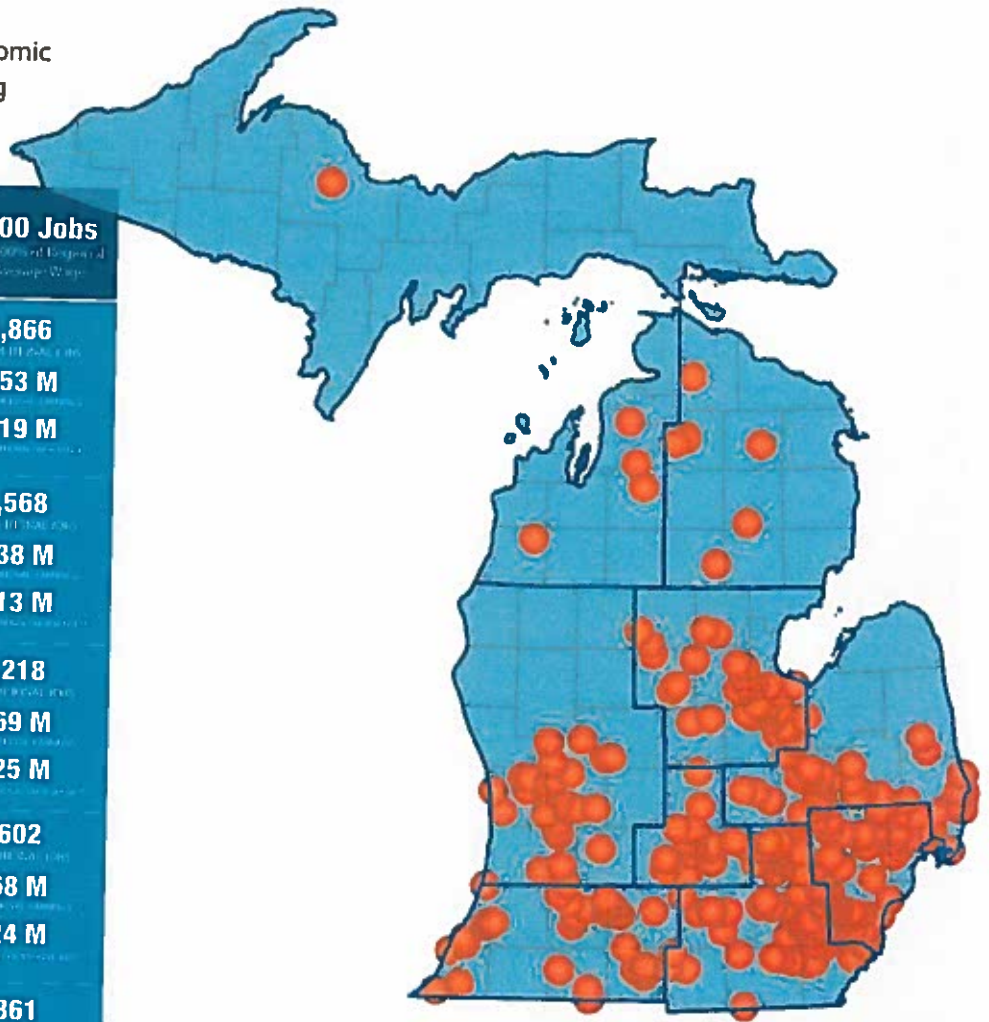
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Positive economic impact statewide

When good-paying jobs locate to Michigan, our economy grows stronger, workers and families bolster their incomes, and our communities, schools and infrastructure all benefit.

This chart shows the estimated economic impact each new project bringing 250 or 500 jobs would generate.¹

	250 Jobs <small>at 125% of Michigan Average Wage</small>	500 Jobs <small>at 100% of Michigan Average Wage</small>
 Chemical Manufacturing	933 <small>Additional Jobs</small> \$33 M <small>Additional Wages</small> \$20 M <small>Additional State & Local Tax</small>	1,866 <small>Additional Jobs</small> \$53 M <small>Additional Wages</small> \$19 M <small>Additional State & Local Tax</small>
 Company Headquarters	784 <small>Additional Jobs</small> \$24 M <small>Additional Wages</small> \$13 M <small>Additional State & Local Tax</small>	1,568 <small>Additional Jobs</small> \$38 M <small>Additional Wages</small> \$13 M <small>Additional State & Local Tax</small>
 Motor Vehicle Manufacturing	1,109 <small>Additional Jobs</small> \$43 M <small>Additional Wages</small> \$28 M <small>Additional State & Local Tax</small>	2,218 <small>Additional Jobs</small> \$69 M <small>Additional Wages</small> \$25 M <small>Additional State & Local Tax</small>
 Agricultural Food Processing	400 <small>Additional Jobs</small> \$43 M <small>Additional Wages</small> \$25 M <small>Additional State & Local Tax</small>	1,602 <small>Additional Jobs</small> \$68 M <small>Additional Wages</small> \$24 M <small>Additional State & Local Tax</small>
 Data Processing	681 <small>Additional Jobs</small> \$29 M <small>Additional Wages</small> \$16 M <small>Additional State & Local Tax</small>	1,361 <small>Additional Jobs</small> \$46 M <small>Additional Wages</small> \$16 M <small>Additional State & Local Tax</small>
 Research & Development	480 <small>Additional Jobs</small> \$29 M <small>Additional Wages</small> \$16 M <small>Additional State & Local Tax</small>	1,920 <small>Additional Jobs</small> \$46 M <small>Additional Wages</small> \$16 M <small>Additional State & Local Tax</small>



Michigan has **327 sites** (50 acre parcel) across the state available now for large-scale Good Jobs for Michigan projects. Let's make sure we can attract and grow these jobs right here at home.

¹ Empowering Michigan: Tenth Annual Economic Impact Report of Michigan's University Research Corridor

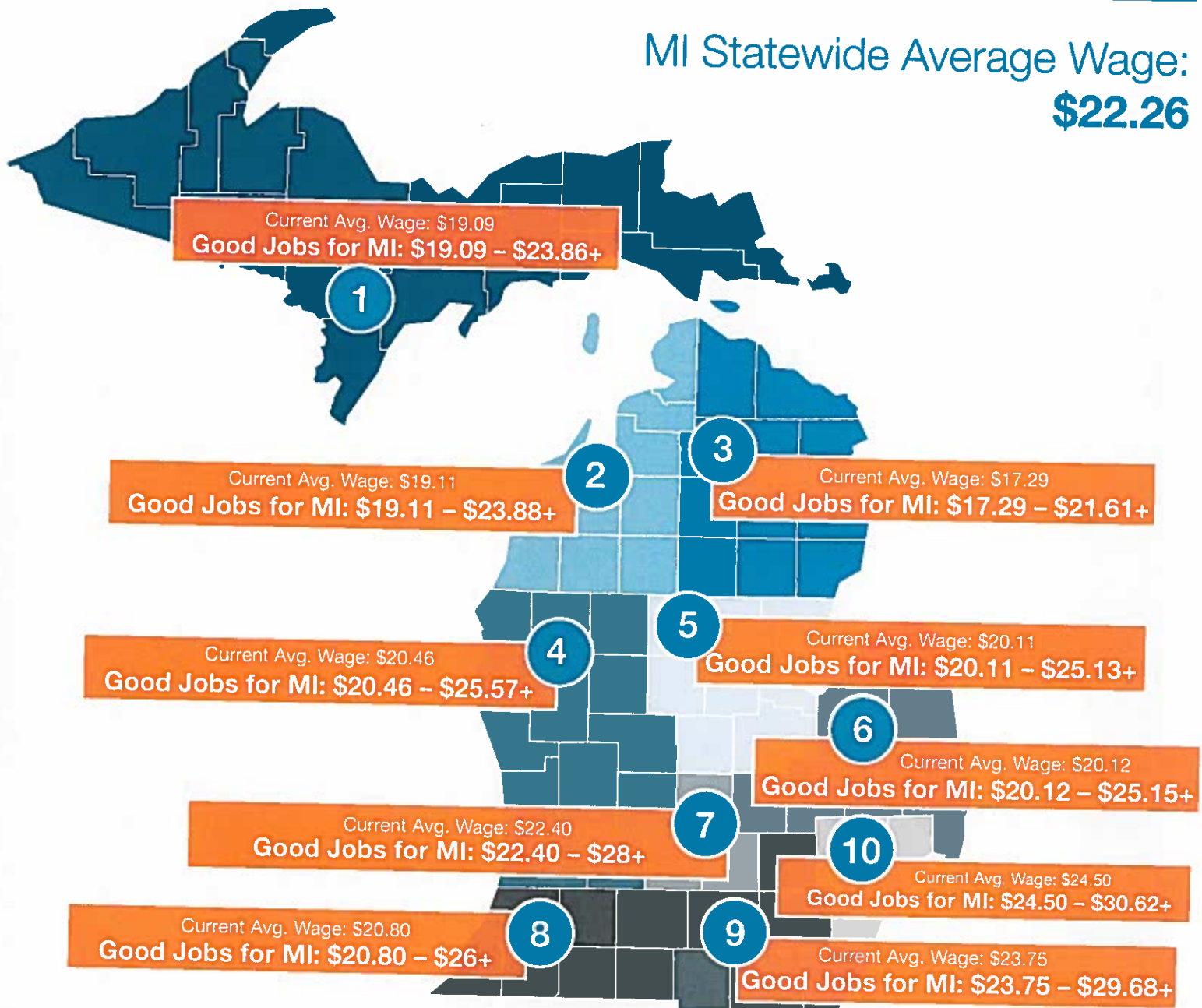
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MI Statewide Average Wage:
\$22.26



GROW JOBS. GROW WAGES.

While our per capita income has grown faster than in most states, it still ranks only 33rd overall.¹ The Good Jobs for Michigan proposal – Senate Bills 242-244 – will grow more good-paying jobs right here at home for Michigan workers and their families.

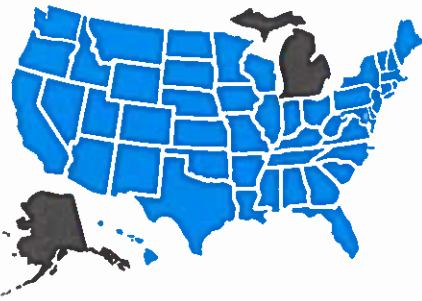
The proposal is designed to help all communities attract good-wage jobs that pay at the current regional average wage level or higher – bolstering personal income statewide.



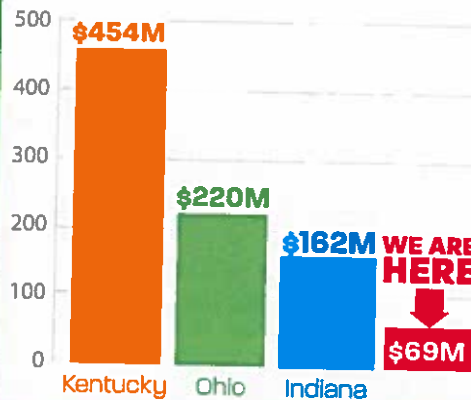
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Other States are Beating Michigan at Attracting Large Projects with Hundreds of New Jobs

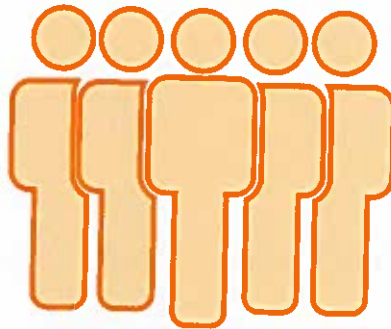


Michigan and Alaska are the only states with a corporate income tax and **ZERO tax credits** to attract new business growth.¹



Nearby states are outspending Michigan to attract new jobs.

Michigan's current cash incentives program is competitive for small and medium-sized projects – averaging 133 jobs per project since January 2012² – but has no programs for larger projects like nearly all other states do.



Michigan needs a new business attraction program that is:

- Simple
- Transparent
- Does not favor one industry over others
- Performance based



Creating new jobs is #1.

Help all Michigan communities attract and grow new jobs – support the Good Jobs for MI legislation, Senate Bills 242-244.

OPEN!
for Business

¹Tax Foundation, Oct. 2013 – Nevada, South Dakota and Wyoming Have no corporate income tax.
²Ibid

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Lost Opportunity

Examples of Projects that Michigan Lost to Other States

Corporate Shared Services

\$40 million Capital Investment

1,100 jobs

Avg. wage: \$70,000

Finalists: New Orleans, Tulsa and El Paso

Cash Grants (e.g. "Closing Fund" awards) between \$5 million and \$30 million

378 MSA's across the country were considered. Grand Rapids made the top 30 but was eliminated from top 12

Transportation Technology Corporate HQ

\$10 million Capital Investment

450 jobs including C-suite, engineering, research and development and finance.

Average wage: \$90,000

Went to Dallas, TX

German Automotive Components Manufacturing Facility

\$180 million Capital Investment

1,200 jobs, high-skilled, advanced manufacturing

Average wage: \$45,000

Went to Mexico

Chinese Automotive Supplier

\$80 million Capital Investment

400 jobs – mid-skill, heavy industrial

Average Wage: \$35,000 - \$45,000

Went to Indiana and Alabama

Korean Semiconductor Chip Manufacturing Facility

\$15 billion Capital Investment

1,600 jobs – high skilled, high wage jobs

Average Wage: \$75,000

8 U.S. locations, Mexico and South Korea were evaluated. Ohio, New York and Texas were domestic finalists.

Company officials removed Michigan from consideration in initial search.

Went to Texas and S. Korea

ENERGIZE AMERICAN MANUFACTURING

TWO (2) LCD FABS + MULTIPLE MANUFACTURING FACTORIES



\$4.2B INVESTMENT
5,200 JOBS

1ST LCD PANEL PLANT IN THE US

- AUTONOMOUS VEHICLES
- AVIONICS
- HEALTHCARE
- DEFENSE
- INTERNET OF THINGS
- SMART CITY
- SECURITY



\$6.1B INVESTMENT
8,800 JOBS

1ST GEN 10.5 LCD PANEL PLANT IN THE US 8K + 5G ECOSYSTEM

- SECURITY
- SPORTS
- ENTERTAINMENT
- ADVANCED MEDICINE
- EDUCATION
- TELEVISION



\$700M INVESTMENT
MULTIPLE FACTORIES
6,000 JOBS

ADVANCED MANUFACTURING FACTORIES

- INDUSTRIAL INTERNET
- PRECISION MACHINING
- TOOL & DIE
- CAD/CAM
- ROBOTICS & AUTOMATION
- MOLDING



\$11B & 20,000 JOBS